



Document No: ICW/96/08  
Distribution: General  
Date: October 10, 1996

International Centers Week 1996  
October 28 - November 2  
Washington, D.C.

*The CGIAR at 25: Into the Future*

**Report of the Third Meeting of the CGIAR  
Private Sector Committee**

Attached is the report of the third meeting of the Private Sector Committee held at CIMMYT headquarters on August 19-20, 1996. The Committee will hold its fourth meeting in Washington, D.C. on October 26-27, 1996 and report on its activities and program proposals at the CGIAR Business Meeting, under agenda item: Partnerships.

Distribution

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Observers

## **Report of the Third Meeting of the CGIAR Private Sector Committee**

August 19-20, 1996, El Batan, Mexico

*The CGIAR Private Sector Committee (PSC) held its third meeting at CIMMYT headquarters on August 19-20, 1996. The meeting was preceded by a one day visit to PULSAR's research facilities near Tapachula (in Chiapas--close to the Guatemalan border) at the invitation of the PSC Co-Chair Alejandro Rodriguez.*

*Six members attended the PSC meeting. Ms. Assia Alaoui and Messrs. Mohamad Hasan, John Preston and Alejandro Rodriguez sent their regrets. The meeting was chaired by Andreas Büchting. Claudio Barriga and Aduardo Alvarez-Luna attended, representing Co-chair Rodriguez. Donald Winkelmann (TAC Chair) and Roger Rowe (Deputy Director General, CIMMYT) attended at the invitation of the PSC. Alexander von der Osten and Selçuk Özgediz attended on behalf of the CGIAR Secretariat. The latter also served as Secretary.*

*The Committee devoted the afternoon of the first day to learning about CIMMYT and interacting with senior center staff. The two-day program is shown in Annex 1.*

*The agenda consisted of the following main items:*

- 1. Introduction and Progress Reports*
- 2. Recent Developments in the CGIAR*
- 3. Interaction with the TAC Chair*
- 4. PSC Survey of the CGIAR Centers*
- 5. A Private Sector Perspective on the Current Status and Future Needs of Global Agricultural Research*
- 6. Proposal for a Global Private Sector Summit on Agricultural Research*
- 7. PSC Mission Statement*
- 8. Other Matters*

### **1. Introductions and Progress Reports**

Roger Rowe welcomed the PSC to CIMMYT and conveyed the regrets of Timothy Reeves (Director General of CIMMYT) who was on duty travel. Andreas Büchting expressed the PSC's appreciation to CIMMYT for hosting the meeting and to PULSAR for organizing the visit to Chiapas. Members found the research conducted at this Southern private sector research institute exemplary and suggested the PULSAR model should be disseminated more widely.

Büchting invited members to report on their PSC activities since the April meeting held at ISNAR. Sam Dryden reported on the CGIAR Mid-Term Meeting and his

interactions with the CGIAR community on behalf of the PSC. Claudio Barriga reported on his participation at the Preparatory Meeting for the Global Forum held in Jakarta. Andreas Büchting reported on his participation at the 4th International Technical Conference on Plant Genetic Resources held in Leipzig and interactions with centers, industry associations, and NGOs.

## 2. **Recent Developments in the CGIAR**

Alexander von der Osten briefed the PSC on recent developments in the CGIAR. He explained the rationale for the CGIAR Renewal Program, which included as a centerpiece broadening the CGIAR's partnerships with other major actors who are involved with agricultural research. The two partnership committees (the PSC and the NGO Committee) are expected to provide advice to the CGIAR about best ways of strengthening partnerships with their respective constituencies. The regional and global fora are expected to provide the setting for multiple interactions among all components of the global research system.

Mr. von der Osten drew a distinction between System-level and center level relations with the private sector. The PSC is the key mechanism for System-level interactions with the private sector. Each center has ongoing relations with private sector institutions and the PSC could help expand these linkages by addressing, at the System level, the Centers' common concerns.

Mr. von der Osten also reviewed the CGIAR's funding outlook for 1996 and 1997, and described the plans for the 1996 International Centers Week, including the roles the members of the PSC are expected to play in the various events. He responded to questions about the planned events and concluded by stressing that the CGIAR places high importance in the work of the PSC and expects it to help shape the future relations between CGIAR and private sector research institutions, in areas such as biotechnology.

The PSC thanked Mr. von der Osten for the useful briefing and invited him to participate in its future meetings as his time permits.

## 3. **Interaction with the TAC Chair**

Don Winkelmann briefed the PSC on how TAC works and expressed his views on how the PSC could contribute to TAC's efforts. He welcomed the PSC to indicate how TAC could contribute to PSC's work.

Regarding the functioning of TAC, Mr. Winkelmann described TAC's responsibilities in ensuring the quality and relevance of the science practiced at the centers and in setting priorities and making recommendations to the CGIAR on resource allocation. He also outlined the structure and make-up of TAC.

Mr. Winkelmann then presented the conceptual framework TAC used in the most recent priority setting effort. He noted that the CGIAR has two major goals: poverty

alleviation and protecting the environment. These, jointly, lead to attaining sustainable food security. He noted two further CGIAR concerns, that of being people centered and that of being efficient. Given its people centered orientation, the CGIAR emphasizes poverty alleviation for present and future generations, focuses on activities which will increase present and future productivity (ultimately the source of the rising incomes required to reduce poverty), and relates its concern for the environment largely to land and water with their implications for future health and productivity. Increasing the incomes of the poor contributes both to poverty alleviation and environmental protection. Environmental protection contributes to future productivity and, hence, to alleviating future poverty.

The CGIAR's research and related activities are geared towards increasing productivity (which is a necessary condition for increasing incomes) and to resource conservation. Given its concern for efficiency, the CGIAR concentrates its work on international public goods and seeks ways to work with others to identify problems to shape options to serve as alternative sources of supply, and to open opportunities for complementary activities.

Mr. Winkelmann suggested that, in an association with PSC, the two dimensions of "alternative sources of supply" should be examined: (1) possibilities for *substitution*; and, (2) possibilities for *complementarities*. Both are important for the CGIAR.

Regarding how the PSC could assist TAC, Mr. Winkelmann gave several examples:

- providing an inventory of what the types of research the private sector is engaged with;
- assessing vehicles for collaboration between the private sector and the CGIAR (e.g., contracting);
- forecasting the directions of private sector research given an assumed liberalization of trade and an expansion in the scope of intellectual property rights (IPR);
- brokering opportunities for the expanded use in developing countries with thin markets of private sector products developed for other markets; and,
- encouraging private sector production and distribution of CGIAR products where other agents lack the capacity to do so.

The ensuing discussion focused mainly on IPR and whether it would expand, as assumed in the TAC priority setting exercise. It was suggested that there is need to look at new paradigms on IPR. There are now actors who own germplasm, and others who

own traits. The direction seems to be towards a system much like in some industries, where the sources of technology are quite dispersed. New products are based on inputs from several sources, each having the property rights to a component.

The PSC found the interaction with the TAC Chair useful and decided to follow-up on the themes raised through a small working group. Mr. Auxenfans offered to organize a session at Monsanto laboratories in St. Louis, Missouri, where the TAC Chair, some PSC members, and Monsanto scientists could explore these themes further. [This meeting took place on October 2, 1996. The PSC was represented by Ms. Amaratunga and Messrs. Auxenfans, Dryden, and Özgediz.]

#### 4. PSC Survey of the CGIAR Centers

The PSC conducted a questionnaire survey of the Centers during June-July 1996. Mr. Ozgediz summarized the results of the survey.

The survey served four objectives:

1. To find out about Centers' current programs in biotechnology;
2. To identify the Centers' programmatic interactions with the private sector in general and, specifically in the areas of biotechnology and genetic resources;
3. To explore the scope for improving Center-Private Sector-NARS interactions; and,
4. To seek the Centers' advice on the future role and activities of the PSC.

Mr. Ozgediz brought to the attention of the PSC the following highlights from the survey:

- The Centers' expenditures in biotechnology have roughly doubled over the last few years--from about \$11 million in 1993 (according to a survey conducted by Cynthia Wagner) to about \$23 million in 1995. The Centers with the largest increases were CIAT, CIMMYT, CIP, ILRI, and IRRI.
- The major foci of the Centers' biotechnology work are in the areas of crop disease detection, crop improvement, crop germplasm storage or exchange, and crop propagation. Some Centers also carry out work on monoclonal antibodies/hybridomas, agricultural chemicals, and improvement of microbes.
- In terms of their *range of cooperative arrangements with the private sector* the responses showed that CIMMYT, CIAT, ICRISAT, and IRRI have the

broadest involvement with private sector institutions.

- The Centers identified the following as priority areas for collaboration between the Centers, NARS and the private sector:
  - joint technology development
  - biotechnology applications
  - genetic conservation
  - seed production
  - information systems/training
- Regarding the future role and activities of the PSC, the Centers suggested that the Committee:
  - assist in facilitating the private sector to provide to the CGIAR biotechnology tools, markers, genes, and traits;
  - advise Centers on legal matters (particularly regarding IPR issues) and in identifying promising areas for collaborative research;
  - provide information on contacts within the private sector and suggest individuals from the private sector for membership in Center boards;
  - promote the CGIAR within the private sector; and,
  - interact with the Centers on common policy questions.

The PSC found the survey results to be very useful in providing direction to the Committee's work. It thanked the Secretariat and agreed to have the next draft of the paper circulated to the centers and then the CGIAR membership.

## 5. **A Private Sector Perspective on the Current Status and Future Needs of Global Agricultural Research**

The PSC reviewed a proposal from Andreas Buchting to have a paper prepared on the perspectives (or "vision") of the private sector on the future global needs for agricultural research. This would be a paper targeted at both the CGIAR, public sector agricultural research institutions, and leaders of the private sector in developed and developing countries. The paper would aim to clarify the motivations and concerns of the private sector, as well as misconceptions about the role of the private sector. It would identify areas where collaboration with the CGIAR are likely to be most promising, and discuss possible changes in CGIAR policy to strengthen collaboration with the private sector.

The proposal received unanimous support from the Committee. Several speakers noted that it represents a direct response to the overall mandate of the PSC. Putting private sector perspectives squarely on the table would help facilitate communication and avoid misunderstanding.

Ms. Amaratunga suggested that the Committee clarify whether this would be an advocacy, accountability, or amelioration document. This led to a useful discussion about the constituency of the PSC. It was concluded that the paper would be a well argued, objective statement, based on facts and trends, reflecting the private sector's view of the types of research that it will likely conduct and how it could collaborate with others in the conduct of research. The Committee agreed that one major target audience of the paper would be the private sector leaders who would participate in the planned global private sector summit (see below).

The Committee concluded that the proposal should be taken to the next stage by fleshing out some of the main arguments. A working group was appointed (Messrs. Buchting, Auxenfans, Dryden, and Ozgediz) to advance the thinking by the time of the next PSC meeting. [The Working Group met at KWS headquarters in Einbeck, Germany on September 16-17. Ms. Frauke Spanakakis also participated. An outline summary was subsequently discussed in St. Louis on October 2, 1996 with Mr. Don Winkelmann and scientists from Monsanto Corporation.]

#### **6. Proposal for a Global Private Sector Summit on Agricultural Research**

The Committee discussed a proposal from Selçuk Özgediz to organize a global private sector summit on agricultural research. The aim would be to bring together private sector leaders from the North and the South whose companies make the greatest impact on food and food security in the world, along with the principals of the CGIAR community. The Summit would help forge new global research alliances to address the problems of food insecurity and environmental degradation. The participants would sign a declaration or charter and endorse an action program. The "perspectives" paper noted above could serve as the major background paper for the Summit.

The Committee agreed in principle with the proposal and discussed options on participation, venue, timing, etc. The members present identified the week of August 25-29, 1997 as the ideal period for holding the Summit. Mr. Buchting agreed to consult with Mr. Serageldin about the proposal as this would require strong support from both Mr. Serageldin and James Wolfensohn, the President of the World Bank, because of his connections with the private sector.

A revised proposal will be discussed at the next PSC meeting. A PSC working group will be appointed at that meeting to oversee the preparations for the Summit.

## 7. PSC Mission Statement

The Committee reviewed a draft mission statement prepared by Sam Dryden. It found the structure and the context of the statement to be excellent, but members made several editorial suggestions. Selçuk Özgediz agreed to revise the statement to incorporate the suggestions made. The revised mission statement, which will be reviewed at the 4th PSC meeting, is as follows:

*The Private Sector Committee's mission is to provide a private sector perspective to the CGIAR regarding the current status and future needs of global agricultural research. Through its membership the Committee reflects the views of national and international for-profit enterprises of varying scales and with direct interest in agricultural research.*

*The Committee serves as a link between the CGIAR and the private sector at large and aims to forge new alliances for improving food security and the quality of the environment. It helps identify collaborative research opportunities of mutual benefit.*

*The Committee works closely with representatives of other major partners in agricultural research, including the international centers, national research systems, and non-governmental organizations. It also helps raise the awareness of the global community to the opportunities agricultural research provides for creating better livelihoods for present and future generations.*

## 8. Other Matters

- Eduardo Alvarez-Luna made a presentation on the work of PICTIPAPA, and international cooperative potato late blight project, being conducted by a non-profit foundation (Fonda Terra), funded largely through the private sector. He reviewed the research conducted to date and interactions with CIP. As CIP was unable to send a representative to the PSC meeting, the discussion focused less on the substance of the problem and the alternative approaches to solving it, but more on the institutional aspects of private sector involvement.

The PSC was impressed by the initiative taken by the private sector (in this case the PULSAR Group) to help address a problem affecting a large number of poor farmers. As the Committee is not in a position to compare the approaches of PICTIPAPA and CIP in addressing the late blight problem, it suggested that an expert body like TAC should assess the situation. In any event, the Committee does not see itself as the focal point on such specific issues, though it would continue to respond to individual requests from Centers depending on the expertise available within the Committee and the



members' interests.

- Carol Amaratunga conveyed an invitation from the Greater Halifax Chamber of Commerce to host a future meeting of the PSC.
- The Committee reviewed several candidates for the vacant membership positions in PSC and agreed to have the Co-Chairs and Secretary conduct further screening of the identified candidates before suggesting names to the CGIAR Chair.
- Mr. Buchting asked the members to indicate to the Secretariat if they intend to serve beyond the initial two year period. This would help identify a balanced rotation in membership.
- The Committee reviewed the International Centers' Week program and its own participation in the various events. Andreas Buchting agreed to make a statement on behalf of the PSC at the 25th Anniversary Commemoration Day. Carol Amaratunga will address the Global Forum on behalf of the PSC. Sam Dryden and P.K. Agrawal will participate in the Global Forum panel discussions on biotechnology and genetic resources, respectively. P.K. Agrawal will present the PSC report to the CGIAR at the Business Meeting.
- The 4th meeting of the PSC will be held in Washington on October 26 (evening) and October 27. The Co-Chairs will interact informally with other components of the CGIAR.